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Marketing on a Shoestring in Not-for-Profits: No Pain No Gain

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Sarah Mavrinac is the founder and president of not-for-profit financial education organisation, aidha, which started operations in January 2007 in Singapore. Launched with the support of UNIFEM's National Committee, Singapore, aidha offers training courses in confidence-building, money management and entrepreneurship to women migrant workers, in particular those in domestic service. A former academic from INSEAD, Mavrinac has worked actively for many years to promote financial literacy and the economic empowerment of women. In March 2007, she was recognised as 'International Woman of the Year 2007' by the American Women's Association in Singapore.

Mavrinac delivered a talk recently on "Marketing on a Shoestring -- The Challenge of Not-for-Profit Outreach", organised by the Centre for Marketing Excellence, Lee Kong Chian School of Business at the Singapore Management University. "We really can touch hearts and shape minds if we do our marketing properly," said Mavrinac. However, many non-profits seem not to succeed.

A study carried out by the Canadian Centre for Excellence for Public Sector Marketing last year highlighted serious shortcomings in the marketing efforts of the not-for-profit and public sectors. These included the lack of investment in formal planning, poor consumer orientation, few incentives for marketing and service delivery, lack of integrated 'brand' marketing, and a tendency towards silo-based operations.

Mavrinac cited two main reasons for this state of affairs. "Firstly, it is a hesitancy on the part of not-for-profit leaders to invest precious funding in marketing," she explained. "There is typically a heartfelt devotion to the cause that the not-for-profit is trying to serve. Any dollar that comes in they would want to go directly to the product or service that the not-for-profit offers. To divert some of that money away from needy children, impoverished women or beaten dogs is very difficult; particularly when you are not sure how to most effectively use the money."

A second reason is what she terms the 'ego problem' of the not-for-profit. "Many organisations believe that they are somehow due free publicity because they are working for the public good. In short, they are saying, 'We are out there helping to change the world so you should spread the word for us.' While understandable, this is a naive attitude. Every organisation must take responsibility for communicating its purpose and its value," she said.

Social Marketing

To counteract this problem, Mavrinac thinks that not-for-profits need to invest in social marketing, unique to not-for-profits. She likens it to selling a "social product" in the form of an idea, practice or tangible object. "Selling an idea would be an attempt to change a belief, attitude or value," she explains. "It's like saying cancer can be prevented, or smoking is wrong, or that we should stand up for human rights and change the attitudes towards foreign domestic workers in Singapore. Selling a practice would be convincing people to change their action or behaviour patterns, for instance, quitting smoking because it is bad for you. Selling a tangible object is literally selling a physical object such as birth control pills or condoms."

Mavrinac firmly believes that marketing not-for-profit activities is vastly different from for-profit marketing. "We're not trying to get someone to buy something that will impact their day-to-day lives. Quite often, what we're selling is what someone else is benefiting from. We're selling soul and inspiration."

Measuring the results of a not-for-profit marketing campaign can get murky as compared with the corporate world where the yardstick is more distinct, such as sales figures. Another difficulty is the range of stakeholders involved ranging from aid recipients to volunteers, donors, and even other not-for-profits. Referring to aidha's own target groups, for example, Mavrinac said, "You want to make sure you know who these women are, what kind of economic situations they come from and how we can motivate them. There is an awful lot we have to convey to get the message across."

Funding is another major challenge to overcome. As many not-for-profits suffer from budget constraints, there is a great reluctance on their part to set aside money for marketing purposes.

Lastly, Mavrinac describes what she terms the 'founder' problem. "This comes about when the individual who is leading the organisation has very particular ideas about what the organisation should do and is not that broad-minded or willing to change. It takes a whole lot of energy to start an organisation and you have to be really committed and driven which sometimes means you put blinders on yourself. A lot of founders are also very emotionally connected to the causes they have started. They don't want to spend any time thinking about issues such as marketing that are not directly associated with their cause," she said. The solution to the 'founder' problem, Mavrinac believes, lies in succession planning which needs to be put in place to groom a successor for the future. As

a founder herself, she also feels the need to develop faith in the person who will one day take over aidha.

"Cheap Tricks"

In the past year, aidha has adopted what Mavrinac jokingly dubs "cheap tricks" to market itself. "We frequently work with partners to leverage off their main brands. For example, we are a sister organisation of UNIFEM. Any time we can put up our banner next to UNIFEM's, I do it. UNIFEM is a world-recognised, reputed brand so we like to be affiliated with it."


There are also tie-ins with the corporate social responsibility programmes of different organisations. aidha has links with insurance company AXA as well as financial advisory firm IPAC. It also received a donation of computer terminals from solutions provider SAP to help teach students computer literacy skills.


Word of mouth marketing has also proved useful. To save costs, Mavrinac started a student referral programme rather than printing and distributing brochures about the organisation. Another "trick" that has proved effective is in winning awards. Despite being new, aidha has already won a few. "You get great press and increased awareness. If you build a brand and people know you, more good stuff will come to you," said Mavrinac. Other tactics include public education efforts where she seizes every available opportunity to publicise her organisation by giving talks in schools, generating news events and leveraging opportunities available on the Internet.

Drawbacks

There are, however, limitations to these methods Mavrinac cautions. While they can be practised by other not-for-profits, she is aware that some tactics are not as effective as she would like them to be. Due to the opportunistic nature of this marketing strategy, the message that the not-for-profit tries to convey often becomes dissipated. "Our strategy is contingent on other organisations' activities. As a consequence, we must continually 'bend' our message and style to shape the situation. Our messages then tend to get diluted because they are not focused on what the organisation is mainly about," she explained. Also, opportunities such as web advertising require a distinctive "pull" factor which Mavrinac is not sure that not-for-profits possess.

Overall, she notes that the not-for-profit community is evolving and requires a new mindset. "[We need to] put our egos aside and recognise that everybody has to invest in educating other people about the work of a not-for-profit. Our work is never so important that others should automatically know about it," she asserted. "Also, be willing to think out of the box. Grasp new technologies available that might be potential marketing channels -- Facebook, for instance. We have to come up with new ways of doing things and implementing them."

 [back to top \(#top\)](#)

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